ANNUAL MESSAGE

OF THE

GOVERNOR OF PENNSYLVANIA,

TRANSMITTED TO THE

SENATE AND HOUSE OF REPRESENTATIVES.

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GOVERNOR'S MESSAGE.

READ—JANUARY 5, 1853.

To the Honorable the Senators and Members of the House of Representatives of the General Assembly:

I congratulate you, my fellow citizens, on the auspicious circumstances under which you have convened at the seat of government. An all-wise and beneficent Providence has greatly blessed our country during the year that has just closed. The desolations of war—the ravages of pestilence—the wastings of famine—have not been witnessed within her limits; nor have the sickly influences of internal strife been permitted to paralyze her prosperity. All the great interests of the Nation have received additional growth, and her institutions of government acquired renewed strength. Agriculture, commerce, trade, manufactures, the arts and sciences, have been eminently prosperous, and each been distinguished by some fresh discovery to facilitate its progress.

Another Presidential election has been held. Once more the people of this vast country, through the agency of the ballot box, have designated the citizen, who, for the ensuing four years, is to fill the highest office known to the Constitution. The cheerful submission of the minority, in the result of the contest, and the magnanimity of the majority in the enjoyment of their triumph, afford gratifying evidence that our civil institutions are not, at this day, endangered from the violence of party spirit. The voice of the majority is honored by implicit obedience, whilst the rights of the minority are protected by the constitution and laws. The officer thus chosen is the representative of the whole people, and is bound by his oath and the obligations of patriotism, to do "equal and exact justice to all men of whatever persuasion, religious or political." Each successive test of the elective feature of our government has been followed by renewed confidence in the whole system, and so it will doubtless continue to be, so long as the exercise of the right of suffrage be characterised by intelligence and patriotism. In all parts of the civilized world the people are becoming convinced, not only of the practicability, but of the wisdom and justice of a government founded on the principles of a representative Democracy. Even the firm prejudices of monarchists, are beginning to yield to the powerful evidence furnished by our experience. The mission of the present generation is to secure the future triumph of these principles in other countries, by transmitting to posterity, unimpaired, our model system of government. That this will be done, under a kind Providence, I have a steadfast belief.

At no period since the acknowledgment of our independence as a Nation, have the people of this Union enjoyed a higher state of prosperity, or entertained a brighter hope of the future. At peace with all the world, and freed from internal strife between the several members of the confederacy, by the ready acquiescence of each in the recent Congressional adjustment of the controversies incident to the institution of domestic slavery and the acquisition of new territory; when has this Union been more firm and perfect? We may well exchange congratulations on this auspicious picture, as I am sure we should mingle our thanks to Almighty God for His bounteous goodness and guardian care.

Two statesmen, long eminent in the councils of the Nation have been called from amongst us within a brief period. HENRY CLAY and DANIEL WEBSTER will be known no more except in history; but that immortal record will make their good works familiar to posterity. The tolling of bells—the sable ensign, and the solemn obsequies, have manifested the Nation's regret. Whilst thus lamenting the loss of those patriots, we should be consoled by the recollection, that they had been spared to fill the full measure of time allotted to man. According to the beautiful figure of one of them, presented in a discourse at New York, not many months since—measuring time by ideas and events—they had become modern Methuselahs in the extent of what they had seen of the world, and done for their country. Who could expect more? and who is not satisfied with the extent of their labors?

The receipts to the Treasury during the late fiscal year, exclusive of the proceeds of loans, amounted to the gross sum of $4,561,885 50, which amount, added to the balance in the Treasury on the 1st of December, 1851, (leaving out the unavailable means, which only serve to confuse the account,) makes the total ordinary means of the Treasury for the year, $5,104, 424 71. The payments, exclusive of the cancellation of State stock—the appropriations to the North Branch canal and the Portage railroad, amounted to the sum of $4,129,262 49, being $976,602 12 less than the receipts. Of this excess, however, the sum of $304,024 96 was applied to the completion of the Western reservoir—to re-laying the north track of the Columbia railroad, and to other extraordinary repairs on the public works, leaving an actual available balance in the Treasury on the 1st day of December, 1852, of $671,037 72. But, it must be observed, in order to a correct comprehension of the relative condition of the Treasury, that the unpaid balances of appropriations for 1851, amounted to $621,338 95, whilst those of 1852 only reach the sum of $529,801 14, showing a difference in favor of the latter year of near $100,000.

The receipts to the Treasury for the coming year may be safely estimated at $4,626,500. Taxes from real and personal estate and tolls on the public works, are the only sources of revenue in which there can be any considerable variation from this estimate. The former of these I have estimated at $1,400,000, and the latter at $850,000. To the above estimate must be added the sum of $671,037 72, the balance remaining in the Treasury on the 1st day of December, 1852, and thus swelling the whole means of the Treasury for 1853, to the sum of $5,297,537 72. The ordinary expenditures for the same period, including everything except new work, may be estimated at $4,028,670, which will leave a balance in the Treasury on the 1st day of December, 1853, of $1,271,208. In this expenditure is included $300,000 for the sinking fund, which, added to the foregoing balance, makes the sum of $1,571,208; and deducting from this $671,037 72, the amount in the Treasury on the 1st of December last, we shall find an actual balance of $898,630, applicable to the payment of debts and the completion of the North Branch canal and the Portage railroad. The result of these estimates demonstrates most clearly to my mind, that when the improvements just named shall have been completed, should all new schemes of expenditure be sternly resisted, as they shall be, so far as I am concerned, the Treasury will be in a condition to cancel at least one million of dollars of the public debt annually.

In accordance with the provisions of an act of the Legislature, approved the 2d day of April, 1852, I proceeded to borrow, on the faith of the Commonwealth, eight hundred and fifty thousand dollars for the completion of the North Branch canal. The maximum rate of interest named in the law is 6 per cent. The loan was awarded

to Messrs. Harris & Co., for C. H. Fisher, of Philadelphia, Duncan, Sherman & Co., New York, and George Peabody, of London, on the 12th day of June last, as follows: $200,000 at an interest of 4½ per cent., and $650,000 at an interest of 5 per cent., and the bonds of the State issued accordingly, in sums of one thousand dollars each, free of taxation, with coupons attached, re-imbursable in thirty years after their date.

The 100th section of an act to provide for the ordinary expenses of the government and other purposes, approved the 4th day of May, 1852, declares "that the Governor and State Treasurer be, and they are hereby authorized and empowered, to borrow, on the faith of the Commonwealth, during the year 1852, at such times, and in such amounts, as they may deem best for the interest of the State, any sum not exceeding five millions of dollars, and issue the bonds of the Commonwealth for the same, bearing a rate of interest not exceeding five per centum per annum, payable semi-annually, which bonds shall not be subject to taxation for any purpose whatever, and shall be re-imbursable in twenty-five years from their date; and the sum so borrowed shall be applied to the payment of the 6 per cent. loans that are payable at the option of the Commonwealth, after the years 1846 and 1847; to the cancellation of the certificates issued to domestic creditors, and the outstanding and unclaimed interest certificates, in the manner hereinafter provided; and the balance of said five millions shall be applied to the extinguishment of any of the five per cent. bonds of the State now outstanding, and for no other purpose."

In compliance with this and the other sections of the law relating to this subject, the State Treasurer, Auditor General, and myself, proceeded to make the loan of five millions. The details of our action will be found in the State Treasurer's report. The 6 per cent. bonds, the domestic creditor certificates, and the certificates for outstanding interest, have been cancelled as fast as presented, and the money is now in the Treasury to pay off the entire balance. On opening the bids on the 7th of September, we discovered that only $3,410,000 had been bid for, and owing, as we thought, to a slight misunderstanding between our Government and that of Great Britain on the Fishery question, which seemed to disturb the monetary world for a short season, the bids were not so favorable as we had anticipated; we, nevertheless, felt bound by the terms of our public notice, to accept the amount offered. The remainder of the five millions has been used in the cancellation of the 5 per cent. bonds, by the exchange for them of new bonds, bearing a like interest, for which exchange the Commonwealth has received a cash premium of 5 per cent., which is a more advantageous loan for the State than were the bids opened on the 7th of September.

The premiums received on this loan amounted to $134,534 00, which sum, in accordance with the terms of the law, has been paid over to the Commissioners of the Sinking Fund, to be applied to the cancellation of the public debt. In addition to the premiums, there will be annually saved to the Treasury, by the reduction in the rate of interest on the renewed debt, the sum of $20,436 62, which for twenty-five years, the period which the loan has to run, will amount to a saving to the Treasury of $510,915 50. This result is not quite equal to my expectations; but when it is remembered, that all this has been accomplished without the exaction of a dollar from the people, we have much reason to be gratified with the issue.

In our efforts to effect a conversion of the five per cent. loan into new bonds bearing 4 per cent. interest free of taxation, with coupons attached, reimbursable in 30 years, under the 105th section of the law already referred to, after consultation with a number of the most experienced commercial men of the State, we deemed it our duty to send an agent to Europe, where most of the five per cent. bonds are held, to promote, as far as possible, the desired end. Accordingly, we assigned to Col. John J. M'Cahen, of Philadelphia, the performance of this duty. This gentleman immediately repaired to London, and subsequently to Paris, and devoted himself, for some weeks, to the objects of his mission with untiring zeal and energy. Whilst it is true that we can claim for his efforts the credit of no definite result, we are nevertheless decidedly of opinion, that his mission has been of great service to the State. His minute knowledge of the whole history of the financial difficulties of Pennsylvania,

their cause and the remedies applied, enabled him to remove many unfounded prejudices which were cherished in the money circles of that country, against the integrity and honest purposes of the descendants of Penn. Mr M'Cahen thinks he could have effected a conversion of a large portion of the loan at 4½ per cent., but the officers of the government had no power under the law to allow a greater interest than 4 per cent.

I respectfully recommend the passage of a law similar to that of the 4th of May, 1852, authorizing the officers of the government to cancel the old five per cent. bonds by the creation of new ones, free of taxation, with coupons attached, bearing a less rate of interest, or bonds bearing five per cent. on which not less than 5½ per cent. of a cash premium shall be paid. The State can, in this way, I believe, confidently, save a large amount of money, and finally cancel all her present bonds, and be clear of the trouble and expense of keeping loan books and transferring her stocks. This consideration alone is a most desirable end, and would go far towards compensating for all the labor and trouble of renewing the bonds for periods of five, ten, and twenty-five years.

The financial operations of the year, including the North Branch loan of $850,000, I am greatly gratified to discover, has left but little additional burthen upon the Treasury. The interest on this loan will amount to $41,500 annually. Deducting from this the sum of $20,436 62, the yearly saving secured by the cancellation of our 6 per cent. debts, and we have a balance of interest on the North Branch loan to provide for of $21,063 38. The receipts to the Sinking Fund from ordinary sources, up to the close of the fiscal year, amounted to $221,493 74, which when added to the premiums received on the five million loan, and the tax from the Pennsylvania railroad company, make a total of of $377,298 40, the interest on which, at 5 per cent., will make an annual saving of $18,864 92, and thus, together with the interest saved by the five million loan, as above stated, will entirely exhaust the whole amount of the interest on the North Branch loan, less $2,194 46.

It is proper to remark, in this connection, that a considerable portion of the State stock purchased for the Sinking Fund, was not delivered at the State Treasury until after the close of the financial year, and hence this investment is not stated in the report of the Auditor General.

The receipts from the public works for the fiscal year of 1852, as appears in the report of the Canal Commissioners, amounted to the sum of $1,896,811 42, and the ordinary expenditures for the same period, to the sum of $1,029,341 23, leaving a net revenue to the State of $867,470 19. This result, when compared with that of the last and preceding year, presents a somewhat flattering picture. It must be remembered, however, that we have had a most fortunate season. The general prosperity of the State has tended to swell the amount of tonnage, whilst no interruptions of business or injury to the works have resulted from fire or floods. It might, perhaps, in view of these things, and the energetic competition which has grown up around us, be unsafe to anticipate any increase on this net income for any year hereafter, until the North Branch canal and the Portage railroad shall have been completed.

Pressed on all sides by rivals of vast power, the necessity for an economical, energetic, and skillful management of the public works is made manifest. The utmost vigilance to prevent interruptions by breaks, the greatest skill to regulate the rate of tolls, and other details, so as to secure an increased amount of tonnage, and the prompt abolition of every unnecessary office or other cause of expenditure, is demanded by the exigencies which surround us.

The law passed at the last session, forbidding the creation of debts by the officers on the public works; requiring the payment of cash for all labor and materials, and monthly returns of all receipts and expenditures, has already and will continue to exercise a salutary influence. As a consequence, the expenditures will be much decreased, and the receipts transmitted to the Treasury with the greater promptitude. The administration of this law, however, I regret to say, has not been as efficient as it should be hereafter. Its failure was owing, to some extent, to a deficiency in the appropriations, and to other difficulties incident to the introduction of a new system of

business. This and other reforms so wisely commenced within a short period, with such additional retrenchments as experience may have shown to be practicable, will doubtless be rigidly carried out in future, by the officers controling that branch of the public affairs.

The net increase of profits on the Columbia road for this year over the profits of last, is but little short of one hundred thousand dollars, whilst the net losses on the entire operations on the Portage road have exceeded that sum. The direct, unavoidable and incidental expenditures on this latter road, must necessarily be very heavy. Whether it be practicable to arrest this monstrous demand upon the Treasury by any other means than the avoidance of the planes, is a question I am not prepared to answer, for I have not looked into the details of the subject. Certainly a more honest and devoted public servant could not be found, than the gentleman who superintended the operations of this work for the last year. Both he and the Canal Commissioners concur in the opinion, that this growing expenditure is owing to the increased business and the dilapidated condition of the road.

The avoidance of these planes—the completion of the North Branch canal, and the relaying of the north track of the Columbia railroad, are subjects which will claim your early attention. These measures were all in progress when I came into office. In a special message to the last Legislature, I declared the opinion, that they were necessary to the public welfare, and should be speedily consummated. I still entertain these views.

Should the General Assembly adopt this policy, it will be for them to provide the means to sustain the Treasury under this increased demand upon its resources. In another part of this communication, I have given you my views touching its future condition. No permanent loans, it seems to me, should hereafter be made for any purpose whatever; nor should the Sinking Fund be diverted from its legitimate ends. The General Assembly may, however, in view of the pressing necessity for the immediate completion of these improvements, deem it wise to authorize the anticipation of the surplus which may accrue in the Treasury for one or two years.

When the foregoing schemes shall be completed, the government, in my opinion, should abandon entirely the policy of constructing improvements of this character. The circumstances which made it right and wise for the State to participate in such work, have passed away. Grand avenues have been constructed through nearly all parts of the State, whilst individual capital has increased, and is rapidly occupying every feasible scheme of the kind. With my present impressions, I shall, under all circumstances, resist the commencement of any new projects of this character.

An unpleasant misunderstanding has existed for some time between the Board of Canal Commissioners and the Pennsylvania railroad company. The points in the controversy have been passed upon by the highest judicial tribunal in the State, and the decision on each made known to the public.

The management of the public works is an independent branch of the public service, and has been confided to the care of agents selected by the people. It might seem unbecoming, therefore, in an officer of this department of the government to discuss the action of the highly competent gentlemen who at present discharge the troublesome duties appertaining to the office of Canal Commissioner; nor can any good result from a discussion of the policy which has heretofore governed the Pennsylvania railroad company.

As a citizen, and as a public officer, I have ever felt a deep interest in the success of the great enterprise commenced by this company, and have inclined to facilitate its objects, so far as they may be consistent with the interest of the State. This corporation should be allowed to enjoy its legitimate rights without being permitted to infringe those of the State.

It is cause of regret, that feelings should have been excited, calculated to lead to an unnecessary rivalry between the main line of the State improvements and the Pennsylvania railroad These avenues of communication between the east and the west should be made to move in harmony, so far as that may be practicable. They will doubtless be competitors for certain kinds of tonnage, but in the main, under proper regulations, the conflict could not be very injurious to either. The railroad,

with a single track, cannot have the capacity to transport more than one-half the tonnage destined from the west to the east, nor is the State line adapted to that branch of business most desired by the railroad. I can see no reason why one of these great improvements should be so controlled as to destroy the other. In all their elements, their objects and consequences, they are both eminently Pennsylvanian, and should, it seems to me, be so controled as to promote the trade, commerce, and general prosperity of the State.

The interest which the State has in the receipts from this branch of her improvements should be guarded with jealous care; in doing this, however, we should not forget that this is not the only interest involved—that those of trade and commerce, are quite as important for the people. A policy looking exclusively to the former of these considerations, might measurably destroy both interests. We can have no income for the coffers of the government without trade and tonnage. We may have the latter without the former. Our efforts should be to secure both. If the force of competition from foreign rivals should defeat us in this, we should then yield much of the revenue to save the trade, rather than lose both. I am not inclined to excite alarm in reference to the success of the State line. I believe that it will continue, under the worst circumstances anticipated, to receive a fair share of the through and local tonnage. What is most to be desired is, that the facilities possessed by those great artificial highways shall be united, as far as possible, to counteract the influence of their rivals outside of the State. The exercise of a wise discretion, such as should, and doubtless will, govern the action of those intrusted with the control of this subject, may, it is hoped, lead to the attainment of this desirable end.

There are still in circulation about six hundred thousand dollars of the relief issues, a considerable portion of which have become so defaced and ragged as to render their future use almost impracticable. About $250,000 of the old notes were cancelled at the Treasury during the past year, under the provisions of the act of the 16th April, 1849, and a like amount of new notes issued by certain banks, for which the State paid these institutions two per cent. The efficiency of the law of 1850, prohibiting the circulation of the small issues of other States, has been greatly weakened by the continued use of the relief issues under the denomination of five dollars. The presence of these notes familiarizes the people to the use of small paper, and prevents the circulation of coin; whilst the officers of the law, in many instances, make this a pretext to evade the duty of scrutinizing this currency. The law of 1850 never will, I fear, be thoroughly vindicated, so long as this depreciated paper is permitted to supply the channels of circulation. To remedy this evil, three modes have suggested themselves to my mind. The first is—to allow all holders of these notes to convert them into State bonds, bearing a rate of interest not exceeding four per cent., in sums of not less than one thousand dollars. The second is—to apply the means of the Sinking Fund to their cancellation. These notes are as much a debt against the State as are her bonds, and it would be the legitimate work of this fund, to take them out of existence. The third is—to apply to this purpose, all the premiums that may be received from a farther conversion of the present debt into new coupon bonds, as suggested in another part of this communication. Should the latter idea meet your approbation, the Sinking Fund can be made the instrument of performing the practical work of cancellation. By the adoption of this policy, this illegitimate currency would be removed from the channels of circulation without entrenching upon the present means of the Treasury, or imposing new burthens on the people. With the necessary legislation, I confidently believe that this end can be accomplished.

I hope, therefore, most sincerely, that the General Assembly, in the exercise of its wisdom, may devise some mode of bringing about a speedy cancellation of these notes.

The currency of the State generally, seems to be in a sound condition, and to be sufficient in the aggregate amount, to answer the ends of trade and commerce. An increase of paper circulation, at this time, would, in my opinion, be unwise policy. The legitimate ends of business do not seem to demand such increase. Indeed the fact cannot be disguised, that to a considerable extent the present upward tendency in the prices of goods and property, is the consequence of the abundance of money.

This advance in nominal value is rapidly approaching an unnatural elevation, and should excite jealousy rather than confidence. The indications that we are on the eve of a dangerous inflation of prices, and an artificial expansion in commercial and other business affairs, are too clear, it seems to me, to be misunderstood. This tendency should not be stimulated by an increase of paper money. It is the part of wisdom to restrain, rather than heighten this excitement. To the influence of the unparalleled amount of gold furnished to the world by the mines of California and Australia, during the last year, may undoubtedly be attributed, in no inconsiderable degree, the production of this state of nominal values. The careless observer may regard this result as a real advance in the value of goods and property, when in fact, it is only a cheapening of the standard by which these things are measured. Like all other commodities, money will depreciate so soon as an excess of it be placed in the market.

A common effort, it seems to me, might be wisely made, throughout our vast country, to prepare the channels of circulation for this great increase of coin. Bank notes of a less denomination than five dollars, now occupying a large space in these channels, should be forced to give way for the precious metals. Pennsylvania, I am confident, will most cheerfully, now and hereafter, perform her share of this great work; and I hope to witness, at no remote period, a general movement of all the States on this subject—first to remove from circulation all notes under five dollars, and next the fives also.

I am fully aware, that in declaring this sentiment, I am encountering a strong adverse feeling, nor am I insensible to the difficulties which would surround its practical adoption; but, entertaining the conscious belief, as I do, that it is the true policy of our country, as regards her commercial rivalry with other nations, I should be unworthy of your respect, or of the confidence of the people, if I did not so declare.

The dissemination of the precious metals to points remote from our commercial emporiums, should be facilitated by every proper means. Such distribution cannot be fully accomplished, so long as the channels of circulation are supplied with small paper issues. Every merchant should endeavor to draw coin into the interior of the country; not only because it is the best currency for the use of the people, but because of the great protection it affords against the consequences of commercial revulsions. When these come, and the banks at the seaboard close, and country paper depreciates, the merchant can then fall back on this coin for relief. But if we desire to have the precious metals amongst us, we must make room for them. Both will not circulate at the same time, in the same channels There is, perhaps, no principle in political economy more completely settled, than that which demonstrates that two kinds of currency, differing in value, cannot circulate at the same time. The less valuable of the two will be constantly on the surface and obtruding itself upon the use of the public, whilst the more precious article will retire to quiet vaults.

The efforts of a single State, however, it must be apparent, can do but little in this great reform. To be complete, it must be the work of the whole country. Forced vacuums in the channels of paper circulation in one State, are readily supplied by the issues of another, and thus the effort to introduce coin is defeated. No other feature in the policy of our country, I sincerely believe, so deeply concerns all our great interests as this subject of the currency. In vain will the manufacturer rely on the tariff laws for protection against foreign competition, so long as the nominal values are greatly inflated by an excessive issue of paper money. All his theorizing about specific duties and home valuations will avail him nothing, if the upward tendency of prices out-runs the rate of duty. The paralyzing effect of an inflated currency upon all our State and national interests, when closely pressed by foreign competition, cannot be concealed. "It virtually opens our ports to invite such rivalry against all these pursuits, and no rate of tariff that the wisdom of Congress can devise, within any reasonable limit, can counteract its influences. It greatly enhances the nominal prices of goods and commodities in this, above what they will bear in other countries, whilst at the same time, it retards rather than facilitates their production.—It thus gives the foreign producer the opportunity of manufacturing at the low rates of his own country, and selling at the inflated prices of ours; for he receives his pay, not in our depreciated paper, but in gold and silver. It is

this state of the currency, more than any other feature in the policy of this country, that enables the foreign manufacturer to compete with, if not to undersell the American producer in our own markets."

Special legislation to create corporations has usually occupied much of the time of the General Assembly. This business will doubtless be pressed upon your consideration during the coming session. It is right and proper, therefore, that I should declare to you fully and frankly, my views touching this whole subject.

These artificial bodies are created by extending to an association of individuals powers and privileges not enjoyed by the mass of the people under the general laws of the State. One important class of these seems to result from public necessity, and to have no object but the promotion of public convenience. Another, however, seems to look solely to the private gain of the parties interested. Among the former may be classed corporations to facilitate the construction of roads, bridges, canals, railways, &c., the direct tendency of which is to promote the comfort and prosperity of the people generally. To accomplish these ends, the association of capital under corporate powers, imposing only a limited liability on the corporators, may be wisely encouraged. In reference to such, the policy of the State seems to be well settled. In the latter class may be placed all kinds of corporations to promote the ends of individual gain, as connected with the ordinary business enterprises of the country. With regard to such, the legislation of the Commonwealth has been extremely uncertain.

I entertain the opinion that, as a general rule, corporations of this character are not essential to the public weal—that whatever legislation may seem necessary to facilitate the business of mining and manufacturing, and the various other pursuits for which corporate powers are usually sought, should, as far as possible, be general in its character and be available alike to all. There is, it seems to me, no evidence to be found in the history of our Commonwealth, or in that of any other State, that these great interests are more successfully managed by special corporations than by individuals or associations under general laws. Whilst in the experience of all, it is made very apparent that individual efforts and experiments are much less liable to entail injury upon society at large. That energy, independence, integrity and purity, which usually characterizes individual operations, are not, as a general rule, so well maintained in the efforts of artificial bodies. Ambition, pride and responsibility, the great incentives to action, seem, to some extent, to lose their proper influence over individuals thus associated together. Carelessness, inefficiency and prodigality, are too often the fruits of a light interest and limited responsibility on the part of those entrusted with the management of incorporated companies.

But why should these special privileges be desired? Are they intended to shield the parties interested from the full force of the loss where an enterprize may prove unsuccessful? If so, how shall we grant such great advantages to one citizen, and deny them to another? Equality of rights to all is an elementary principle of our government. If, therefore, for mining, manufacturing, and other pursuits, corporate powers are to be granted, how shall the Legislature refuse similar privileges to the farmer, the miller, the hatter and the shoemaker? If one class of citizens are to have the opportunity of experimenting in their chosen business, on only a limited liability for the losses, all can justly claim a like advantage. We should thus be led step by step in the creation of these artificial bodies, until the field of personal enterprise would be occupied by privileged classes—individual enterprise be completely prostrated beneath the power of concentrated wealth and special privileges, and the relative position of the people rendered less equal than before this system was commenced. We must notice, in addition, the palpable injustice of its practical operations, as compared with those of the individual citizen. A corporation is organized on the principal of a limited liability of the stockholders—its business is unwisely chosen, or unskilfully managed, and it results in failure and loss. The stockholders, in such case, lose the amount they may have paid in, and the remainder of the loss falls upon innocent parties, who, misled by its great nominal capital, have become the creditors of the institution. An individual engaged in a similar enterprise, meets a like fate, and the last item of his personal estate is sacrificed to pay the debts he has thus incurred.

But it is said that capitalists will not invest their means in hazardous enterprises, if required to bear more than a limited liability. I am confident that you will agree with me, that this reasoning in favor of special privileges has no foundation in correct principle, and is not, therefore, entitled to favorable consideration. In a mere business point of view the position is not a sound one. If a given enterprise be hazardous, it is the less liable to competition, and the more lucrative, if successful. But if it be a dangerous business, and, therefore, likely to result unprofitably, upon whom should the loss fall? Certainly it will not be contended that it should be thrown upon innocent parties who have had no agency in the business. It is surely more just and reasonable that those who are to receive the profits should bear the losses—that those who enjoy the privileges should incur the responsibilities. The Constitution never intended to sustain any other policy. It never contemplated acts of legislation to advance one man's interest at the expense of another's. Nor am I at all convinced that capitalists would not invest their means under the individual liability principle. It is but a short period since it was extensively believed that banking capital could not be concentrated, if the stockholders were made liable in their individual estates for the debts of the bank. A short experience has dispelled this doubt, and served to demonstrate the wisdom and justice of this policy. So it would be, I am confident, if this principle were extended to all corporations designed to facilitate the ends of private gain. Capitalists who might be apprehensive that their private estates would become involved for the current debts of the corporation, can employ the simple and easy remedy of making no such debts. Let the contraction of a debt be forbidden by the laws of the institution. Let their business be transacted on the cash system. By this policy they will give the greater efficiency to their operations and escape the dreaded liability. Besides, it does not seem reasonable that special legislation for the ostensible purpose of concentrating capital, should at the same time look to the creation of large debts. If the incorporation of this principle should do no more than lead to the adoption of the cash system, it would be the means of profit to the corporators and great good to the public.

If there be enterprises legitimate and useful, so complicated in their operations as not to come within the reach of general laws, and it should be deemed proper to extend to such the convenience of a corporate seal, such corporation should always be limited to a moderate existence, and be accompanied by the principles of individual liability for all the debts of the association. The convenience of special legal organization is all the advantage that any association of individuals should ask, and it is certainly all that any proper enterprise can need. The salutary effect of this policy would doubtless be, that whilst it could not restrain the association of capital for wise and legitimate ends, it would save the Legislature the labor of considering unwise and visionary schemes, and the public from their injurious consequences.

In a message to the General Assembly during its last session, I took occasion to refer to the growing inclination for special legislation, and recommended the adoption of some measures to remedy the evil. A resolution was passed by that body authorizing the Governor to appoint three commissioners to prepare general laws for the consideration of the Legislature, touching various subjects therein named. Accordingly, in June last, I appointed Hon. James M. Porter, Edward A. Penniman, and J. Ellis Bonham, Esquires, commissioners under said resolution. These gentlemen have for some time been devoting themselves to the performance of the duties thus devolved upon them. The result of their labors shall be communicated to you at an early period in your session.

The evils of special legislation seems to have been a subject of complaint in the early history of the State. In the preamble to the law of 1791, intended to obviate the necessity for special or private legislation, this complaint is freely expressed. The volume of laws for that year numbered fifty-nine pages of a small book; in 1851 they count eleven hundred of a large one. This evil was then in its infancy—it is now full grown and should be corrected. This, in my opinion, can only be done by the adoption of a few more general laws, and the rigid administration of those already in existence; I deem it right to say, that I shall regard the maintenance of this policy as a high obligation to the people.

The law of 1791, and its several supplements, make provision for the creation and amendment of corporations for literary, charitable, and religious purposes, and to create beneficiary societies, and fire engine and hose companies, through the instrumentality of the Attorney General and the Supreme Court. The act of the 13th of October, 1829, extended this power to the courts of the several counties. The acts of 1836 and 1838, make provision for the association of individuals, through the instrumentality of the Attorney General and the Governor, for the purpose of manufacturing iron from mineral coal. In addition to these acts, the general manufacturing law of 1849, and its supplements, provide for the creation of corporations for the purpose of manufacturing woollen, cotton, flax, and silk goods, or for making iron, glass, salt, paper, lumber, oil from rosin, mineral paints, artificial slate, and for printing and publishing.

The commissioners already named have recommended the extension of this law to the business of mining coal, and to the mining and smelting of iron, lead, copper, and other ores, and so to alter its provisions as to render the liability of the stockholders more extensive. They also recommend the passage of a law giving the courts more general powers on the subject of selling real estate by parties acting in a representative capacity, and another referring all claims against the Commonwealth to the courts. These things done, and a more general administration of the law giving the courts the power to change names, to erect boroughs, to incorporate bridge and road companies secured, and we shall have a new era in the legislation of Pennsylvania—shall save a large amount of money annually, and prevent many impositions in the shape of hasty legislation, based on ex-parte statements.

These commissioners have also prepared with great care, a general tax law, simplifying the laws as they now stand—extending their provisions to certain new subjects of taxation, and altering its features so as the more completely to reach moneys at interest and other personal property. This is a most intricate and important subject, and should be handled with the utmost care. I have not had the opportunity sufficiently to examine this proposed law, to give an opinion as to its merits; but I am clearly of opinion that there is much room to improve the tax system now in operation.

The subject of Agriculture, has not, it seems to me, received that attention in this State which its exceeding importance would seem to justify. It was the truthful remark of George Washington, that there is "no pursuit in which more real or important good can be rendered to a country, than by the improvement of its agriculture." The art of tilling the soil in such manner as to secure the largest yield of vegetable matter of which it is capable, and the application of the principles of science to that art, so far as indispensable to the attainment of this end, is a topic worthy of the attention of the best minds of the state. Agriculture is the primitive, as it is the most necessary occupation of man. It was at the beginning of his existence, and is at the foundation of all his pursuits. In this Commonwealth, it is peculiarly adapted to the soil, to the climate, and to the habits of the people, and constitutes their greatest source of wealth and happiness. It is the agriculturist who pays the largest share of the country's taxes in time of peace, and furnishes the greatest number of her soldiers in time of war. It is the most steady, peaceful, and dignified, as it is the least exacting of all our great interests.

But it is said by many good citizens, that there is no utility in the application of the teachings of science to the practice of agriculture. This, in my opinion, is an erroneous idea. In a late report from the Patent office at Washington, it is estimated that "one thousand millions of dollars would not more than restore to their original richness and strength the one hundred millions of acres of lands in the United States, which have already been exhausted of their original fertility." A proper application of science would arrest this waste of the elements of the soil. In Europe, this process of exhaustion has long since excited alarm. What it is doing in our country, is shown by the startling facts already presented. To counteract its effects in the former country, about three hundred and fifty agricultural schools have been established; in the latter, there are not a dozen. The result of the European schools has demonstrated the practical utility of scientific farming. These institutions are calculated

to teach the art of tilling the soil, and to disseminate a scientific knowledge of this great pursuit. To place within the reach of the agriculturist a knowledge of the constituent elements of the soil, and the influence of these upon vegetation, enabling him to discover a deficiency in any one of these original parts, and showing him how to restore it without exhausting another—to learn him to comprehend the different stimulants for the soil, of mineral, vegetable, animal or liquid origin, and the proportion of each which the lands may from time to time require. They also teach methods of practical farming—the use of implements—the nature of seeds, and the origin and character of insects destructive to vegetation. What farmer in Pennsylvania can say that he has never made a mistake in the use of manures, or that his crops have never been injured by destructive insects? And where is there one who would not be willing to contribute something to be protected against such damage in future?

But is it not astonishing, that in this progressive country of ours, so suited to agriculture, and in this age of scientific discoveries and perfection in all the arts, that no institutions to impart instruction in the science of agriculture have been established. It is true, that societies have been formed in a number of the States, and exhibitions have been held calculated to awaken the people to the importance of this subject. Our State society, organized about two years since, has held two exhibitions, which have done much good in the way of sending to all parts of the State the best breed of domestic animals, the best grains and seeds, and the most approved agricultural machinery. But it seems to me, that the government might justly lend her aid and countenance to this good work. In Maryland, an agricultural chemist has been employed by the State, and I am informed that the result of his investigations have been highly satisfactory and useful to the people. Cannot the great State of Pennsylvania do as much for her farmers? She has expended a large sum in the development of her mineral resources, and has cherished her manufacturers by every proper means, and it is right that she should now do something for her agriculturists. I, therefore, respectfully recommend the appointment of an agricultural chemist, with a moderate salary, leaving the details of his duties to be suggested by the State and county societies.

The subject of growing wool, in our State, is worthy of special attention. I had the pleasure, at the late State fair, a short time since, of examining an extensive card of specimens of this article, exhibited by Peter A. Browne, Esq., of Philadelphia. It is said to be the most extensive, interesting, and instructive collection of specimens in the United States, or perhaps in the world. No man can examine it and not feel himself edified by the great practical truths which it is calculated to impart. It demonstrates most conclusively that our Commonwealth is peculiarly adapted to the production of this article, and that in the United States we can raise as fine fleeces as can be produced in the world; and finer than in any other country except Saxony.

It appears by the census of 1850, that Pennsylvania has only 1,822,350 sheep—that Ohio, with a much less territory, has 3,967,000—that New York has 3,454,351, and that whilst our consumption of wool in manufactures for 1850 was 7,560,379 lbs., our production was only 4,481,570. France raises thirty-six millions of sheep, and England with less than half the advantages of this country, raises forty-six millions!!

This subject is one deserving the attention of the people and the government.

I cannot refrain from congratulating you on the evidences of the great prosperity of Pennsylvania, to be found in the census report of 1850. Her relative position to her sister States is truly a proud one. Of the four large States, her per centage of increase in population, since 1840, is the greatest, and she has, besides, excelled the best of her sisters in the production of wheat, rye, iron, and coal.

Her population numbers 2,311,786, being an increase of almost thirty-five per cent. since 1840. According to this ratio of growth, her people in 1870 will number near 4,000,000. Our debt of forty millions is, at this time, a charge on each inhabitant of a little over eighteen dollars; in 1870, according to this datum, it will but little exceed ten. The present assessed value of real and personal estate is

$497,039,649, showing an increase of eighteen per cent. since 1840, and according to this ratio of growth up to 1870, it will amount to the sum of $675,973,922.—The debt of forty millions was a lien of eight per cent. on the assessable property of 1840; on that of 1870 it will be only five per cent. and eight mills. But in the census report of 1850 the true value of the property of the State is estimated at $722,486,120; on this sum our present debt is but a fraction over five and a half per cent. Who can doubt the solvency of such a debtor?

Her productions of wheat in 1840 was 13,213,077 bushels. In 1850, 15,482,191, being an increase of seventeen per cent., at which rate her yield for 1870 will exceed twenty millions of bushels. The same rate of increase is apparent in rye, corn, oats, barley, buckwheat and live stock. The census of 1840 shows a production for that year of 98,395 tons of pig metal—that of 1850, is 285,702, or an increase of one hundred and ninety per cent. At this rate the yield of 1870 would be 1,371,370 tons. Wrought iron in 1840 amounted to 87,244 tons—in 1850 it is 182,506 tons. On this datum the production of 1870 would be 580,369 tons. Our woollen manufactures for 1840 were valued at $2,319,161, and for 1850 at $5,321,866, showing a gain in ten years of one hundred and twenty-nine per cent., and the enormous yield by 1870 of $13,738,404. In cotton goods the increase has been about six per cent., which ratio of growth up to 1870, would show a production of about six millions of dollars.

The whole amount of anthracite coal mined and taken to market in 1840, was 867,000 tons. In 1852 the product will reach near five millions of tons, being an increase in twelve years of six hundred per cent. This rate of augmentation up to 1870, would give the startling production of over forty-five millions of tons, and yielding at the present Philadelphia prices, the sum of one hundred and eighty millions of dollars, being more than treble the present revenues of the whole United States!

This is a most gratifying picture, and goes far to prove what I have for some time believed, that before the close of the present century, Pennsylvania, in point of wealth and real greatness, will stand in advance of all her sister States.

There are yet a few public enterprises to be consummated to render her triumph complete. The North Branch canal must be finished. The Allegheny mountains must be passed without the use of inclined planes, and our metropolis must be connected with the lakes by means of a railroad.

The trade of the State is only second in importance to her agricultural and mineral wealth. Nature has assigned to Pennsylvania a most advantageous position for external trade. Connected with the Atlantic, the lakes and the western waters, and extending on both sides of the Alleghenies, she forms the great link between the East and the West. The only obstacle to an artificial Union of the great natural highways by which she is environed, is this interposing chain of mountains, which cutting transversely across our territory, divides the tributary waters of the Ohio and the lakes from those of the Atlantic. But this mountainous range, we should rejoice to know, upon close examination, is found to present no insuperable impediment. It is to be crossed within a short period, by two railroads of reasonable gradients. The west will then communicate with the east without interruption from these mountain barriers.

But the railroad to Pittsburg should not finish our internal connections. In addition to the railroads up the valleys of the Susquehanna and the Schuylkill, now in progress of rapid construction, the best interests of Pennsylvania require a railway to Erie. We need the shortest and best line of communication between the lakes and the Atlantic at Philadelphia. The considerations in favor of such an improvement are too numerous to be given in this document. The advantage which it would possess in distance—in light grades—in uniformity of guage, when tested by the laws of trade, renders its superiority over any other avenue which now exists, or that can hereafter be constructed, between the Atlantic and the lakes, a fixed fact. The harbor at Erie is regarded by competent engineers as the best on the lakes, and from no other point can so short a line be made to the seaboard. Such a medium of communication would be of inestimable value to Erie, to the intermediate country, and to

our State metropolis. Our citizens, by neglecting or deferring the construction of this work, may subject themselves to the charge of slighting the beneficence of nature in not co-operating with her great designs.

The trade of the West and the lakes, may by this means be secured to Philadelphia. No time, however, should be lost in the construction of this great highway. Delay may lessen the chances of success, whilst it will certainly afford opportunity to our rivals to form and cement business connections which may not be readily severed in the future. Nor are we to look at these internal advantages alone. Nothing can do more to augment the foreign trade of Philadelphia, than a direct avenue to the lakes. Her growing commerce would invite the construction of steamers to convey directly to her own port the merchandise which she would then be called upon to supply to the boundless West Great as are her natural advantages, no observing man can fail to see, that deprived of the sustaining arm of a foreign commerce, she cannot attain to that distinguished position, as a mart, which nature intended she should occupy.

The right to construct a railroad from Erie to the Ohio State line, parallel with the lake, has been a subject of controversy in the Legislature for some years. The Franklin canal company claimed to have obtained from the State the privilege to construct a railroad on this route, and have proceeded to construct it accordingly. The authority of this company to do so has been doubted, and the Attorney General has filed a bill praying for an injunction to restrain the construction and use of said road. So long as this question is pending before the highest judicial tribunal of the State, it would be unbecoming in an officer of any other branch of the Government to express an opinion touching the questions at issue. I may, however, it seems to me, with propriety suggest, that should the decision of the court not confirm the entire rights claimed by the Franklin canal company, the Legislature should take such action as will bring this valuable privilege completely within the control of the State, and so far as may be, without the exercise of an illiberal or contracted principle, render this important link between the sea-board and the great West, subservient to the interests of the people of Pennsylvania.

Amongst the multitudinous obligations resting on the Government, there is none more binding or sacred than that which looks to the education and moral welfare of the people. These great considerations will doubtless receive your anxious care. You will find in the very able and comprehensive report of the Superintendent of Common Schools, many interesting and useful suggestions in reference to the present condition of our common school system, and the cause of education generally; to all of which I most respectfully ask your early attention. I am deeply sensible of the correctness and propriety of the remarks of that officer on the subject of teachers for the common schools. It is the greatest of all the difficulties surrounding the system, and I most earnestly entreat you, if it be practicable, in the exercise of your wisdom, to adopt some mode of supplying this deficiency. There are many other defects which will claim your consideration, but this is of pre-eminent importance. The general law should be made plain and simple, so that the most ordinary mind could administer its provisions; as it is, the questions and decisions touching the meaning of the law, have become more voluminous than the law itself.

For information in reference to the military affairs of the State, I respectfully refer you to the able and highly interesting report of the Adjutant General. I regret to learn, as I have done by this document, that this branch of the public service is not in a very flourishing condition. The report contains many highly important suggestions and recommendations, some of which are so obviously correct that they cannot fail to receive your favorable consideration.

In conformity with a resolution of the General Assembly, passed on the 24th day of February last, Albert G. Waterman, Esq., of Philadelphia, and myself, attended a convention of delegates from the thirteen original States, at Independence Hall, in Philadelphia, convened on the 4th day of July last, for the purpose of taking into consideration the subject of erecting a monument in Independence Square, to commemorate the event of the Declaration of Independence. Delegates were in attend-

ance from the States of Massachusetts, Connecticut, Rhode Island, New Hampshire, New York, New Jersey, Delaware, Georgia, and Pennsylvania. The subject was favorably regarded by the convention, and an able address to the people of the thirteen original States was prepared and signed by the delegates, presenting a comprehensive view of the considerations in favor of this most noble design, and suggesting a practical mode of carrying it into execution. A copy of this address, together with all the other proceedings of the Convention, I shall cause to be communicated to both branches of the Legislature.

It would be difficult to conceive a more interesting idea, or one so congenial to the feelings of the people, or more consistent with a just spirit of national pride, than the commemoration by some visible and imperishable sign, of the great event that distinguished the dawn of American freedom. The propriety of this design will not, I am sure, be doubted by the Legislature or the people, and I shall not, therefore, trouble you with any further suggestions in its favor.

It is proposed to raise the means to construct the monument from the States in their sovereign capacities, and to make no expenditures until the whole amount of money shall have been secured According to the estimates of the committee appointed by the convention on that subject, Pennsylvania's share of this expenditure would amount to between fifteen and twenty thousand dollars.

I respectfully recommend the adoption of such measures as will indicate the willingness of this state to do her part, whenever her sister states shall have given a similar intimation, and to take such other preliminary steps as may seem proper and right.

I desire to call your attention to the condition of the public grounds surrounding the State Arsenal. It has occurred to me that this eligible spot should be enclosed with a good fence, be planted with shade trees, and otherwise improved. As at present exposed, it makes rather a barren and cheerless space between the town and the capitol. If properly enclosed and beautified, it will add much to the appearance of both. A due respect for the memory of the generous donor of this valuable piece of ground, not less than a just regard for the appearance of the seat of government, would seem to require its proper improvement. I respectfully commend this subject to your favorable consideration.

Recent difficulties in a neighboring state have suggested the existence of a deficiency in our state laws, in reference to the conveyance of persons held to involuntary servitude, from one state to another. The Pennsylvania statute of 1780 gave all persons passing through or sojourning in the state for a brief period, the right to hold their domestic slaves. The act of 1847 repealed this provision, and the repealing sections of last session did not reinstate it. I, therefore, respectfully recommend that provision be made for the transit of these domestics through the limits of this Commonwealth. Such a law seems to be contemplated by the constitution of the United States, and to be suggested by those rules of comity which should exist between the States—by the public peace and by individual convenience.

It has usually been the custom to delay the passage of the appropriation bill until near the close of the session. My predecessor recommended a change in this policy, in which recommendation I most heartily concur. The ordinary purposes of government should be provided for early in the session. If there be other necessary appropriations, they can be embraced in another bill and allowed to stand on their own merits.

Having thus, gentlemen, given you as briefly as possible, my views touching some of the subjects which will claim your attention during the present session, permit me, in conclusion, to assure you, that I shall most cheerfully co-operate with the General Assembly in the adoption of all measures calculated to promote the welfare of our beloved Commonwealth.

WM. BIGLER.

EXECUTIVE CHAMBER,
Harrisburg, Jan. 5, 1853.